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**Testimony of**

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**Before the**

**CONNECTICUT GENERAL ASSEMBLY'S PLANNING & DEVELOPMENT  
COMMITTEE**

**RE: SB 1058 AN ACT CONCERNING COMMUNITY ECONOMIC DEVELOPMENT**

**Monday, March 9, 2009**

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Good morning, Senator Coleman, Representative Sharkey, Senator Fasano, Representative Aman, and the other members of the Planning & Development Committee. My name is Tom Kirk and I am President of the Connecticut Resources Recovery Authority. I am here today to speak in opposition solely to Section 5 of SB 1058, AN ACT CONCERNING COMMUNITY ECONOMIC DEVELOPMENT.

Section 5 of this bill would establish an oversight board of CRRA's Mid-Connecticut Project. Section five would also prevent the CRRA Board of Directors from spending \$3 million or more for any capital expenditure unless this proposed oversight committee votes to approve such spending. There are several reasons why this proposed language is completely inappropriate.

The major reason this language should not move forward is because it would violate CRRA's Mid-Connecticut Project bond indenture and potentially breach the state's pledge of non-interference to those bondholders and place Connecticut's Special Capital Reserve Fund (SCRF) at risk. Such action would cause CRRA and the state to be in default under the bond indenture as a direct result of the General Assembly's actions should this become law.

This language could have severe and unintended consequences for the health and safety of CRRA's contractors and facility operators and have long-term detrimental impacts to the state's trash and recycling systems.

For example, it will cost approximately \$27 million to close the Hartford landfill, and state law requires us to pay for at least 30 years of post-closure monitoring and maintenance, which will cost about \$17 million in today's dollars. The Hartford landfill stopped accepting ash and trash we can't turn into electricity last year and is being capped in accordance with the Department of Environmental Protection's permitting rules and regulations. As proposed, this oversight committee would be able to prevent CRRA and its Board of Directors from following federal and state laws and regulations and living up to negotiated legal agreements regarding closure of the Hartford landfill, and that's just one example. This does not make any sense.

Another example would be payment to one of the Mid-Connecticut Project contractors, the Metropolitan District Commission (MDC). The MDC costs the Project nearly \$20 million per year to operate the Waste Processing Facility, where we turn trash into fuel to generate electricity, and the CRRA Board of Directors must adopt the MDC budget annually in accordance with the contract. Should this section five of this bill become law, adoption of the MDC budget and payment to this contractor could be suspended for months or even longer until this proposed oversight board made a decision.

Since 2002, when the General Assembly re-created CRRA and appointed a new Board of Directors, CRRA has been focused on all of its member municipalities, including the Mid-Connecticut Project municipalities, and to restoring the Mid-Connecticut Project to financial health since the Enron debacle. CRRA has done that and has kept trash disposal fees stable over the last six years to ensure that the member towns have an environmentally safe and economically beneficial disposal location at the trash-to-energy plant in Hartford.

The CRRA Board is comprised mostly of first selectmen, mayors and other local government officials, several of whom represent Mid-Connecticut Project towns. As a result, the current CRRA Board is intensely focused on its municipal customers and in particular, the Mid-Connecticut Project towns. CRRA's mission is to work for – and in – the best interests of the municipalities of the State of Connecticut in developing and implementing environmentally sound solutions and best practices for solid waste disposal and recycling management on behalf of municipalities. We have done that and will continue to do so.

CRRA and its Board of Directors have been paying close attention to our member towns and continually seek their input. In fact, the Board last year established a Mid-Connecticut Project Municipal Advisory Committee to obtain direct feedback from the 70 municipal chief elected officials or their designees. The Mid-Connecticut Project Municipal Advisory Committee meets quarterly and has already been effective in giving the Board of Directors guidance and direction in many areas, including its adjustments to the disposal fee. We welcome this input and look forward to working with all of our municipal customers.

While the proponents of Section 5 of this bill may have good intentions, we believe Section 5 would have disastrous consequences. For that reason, Section 5 must be stricken from this bill.

Thank you for the opportunity to testify and I will be happy to answer any questions you may have.